

Chapter VIII
Real Property Acquisition

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REAL PROPERTY ACQUISITION CHECKLIST

	Yes/Date	No
1. Notice of Decision to Appraise		
2. Invitation for Property Owner to Accompany an Appraiser		
3. Review of Appraisal Report		
4. Establishment of Just Compensation		
5. Written Offer to Purchase		
6. Statement of Basis for Determining the Just Compensation Costs		
7. Statement of Settlement Costs		
8. Receipt for Purchase Price		
9. If Acquisition Terminated, Notice of Intent Not to Require		
10. Report on Relocation and Real Property Acquisition		

SAMPLE

NOTICE TO APPRAISE

September 27, 20__

Mrs. Elizabeth Richards
4143 Gus Young Avenue
Anytown, CA 95622

Dear Mrs. Richards:

This is to inform you that your property, described as 4143 Gus Young Avenue, is located in the _____ area proposed for the construction of a wastewater plant and may be acquired by the City for public use.

A copy of the Land Acquisition Procedures which describes your rights and the City's procedures for acquiring property has been enclosed for your information. If you have any questions, please call Susan Jones at City Hall at 432-2169.

The City will be hiring an independent appraiser to appraise your property. You have the right to accompany him on his inspection if you wish to do so. A letter inviting you to accompany him will be sent by the appraiser prior to his visit. This notice is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance.

Sincerely,

Tom Stone
Public Works Director

Enclosure: Notice of Land Acquisition Procedures

SAMPLE

INVITATION FOR PROPERTY OWNER TO ACCOMPANY AN APPRAISER

September 27, 20__

Mrs. Elizabeth Richards
4143 Gus Young Avenue
Anytown, CA 95622

Dear Mrs. Richards:

I have been requested by the City of Anytown to prepare an appraisal of your property on Gus Young Avenue. I will visit the property October 4, 20__ at 10 a.m. If you wish to accompany me, please phone me at 331-4705 to arrange a mutually convenient time.

Sincerely,

Robert Baxter
Senior Appraiser

SAMPLE

STATEMENT OF BASIS FOR THE DETERMINATION OF JUST COMPENSATION

Legal Description and Location of Property

The City of Anytown proposes to purchase and improvements on Gus Young Avenue (lot 8, Square 6, Palmer Extension) from owner Elizabeth Richards at 4143 Gus Young Avenue, Anytown, California. It is a single-family residential unit which conforms to zoning, present use, surrounding land use, and area trends.

Purpose of Purchase

The City of Anytown intends to use the entire parcel for the construction of a wastewater treatment plant.

Improvements

It is a one story, single-family residence of wood-frame construction with concrete foundation, stucco siding, composition roof, and aluminum gutters and downspouts.

It contains a living room, kitchen, center hall, two bedrooms and one bath.

Interior finish is hardwood floor, except hall, two bedrooms and one bath.

The kitchen has counters and painted wood cabinets. There are no built-in appliances.

Heat is gas, forced air, 120,000 BTU furnace.

The house is 25 years old. Design is good. Maintenance is poor.

Declaration of Offer

Based on the appraisal, the City of Anytown hereby makes you an offer in the amount of \$132,500 for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired. It reflects no relocation payments which the owner/tenant may be entitled to receive, under the City of Anytown Guidelines.

Appendix VIII-D

Definition of Fair Market Value

“Fair Market Value is the highest price estimated in terms of money which the property would bring if exposed for sale in the open market, allowing a reasonable time in which to find a purchaser buying with knowledge of all the uses and purposes for which it is capable of being used.”

Appraisal Techniques

Two major techniques, cost approach and market data approach, were utilized to determine the fair market value of this property.

Cost Approach

1. **Land:** To estimate the value of the land, as if unimproved, the market was searched for vacant land sales which might provide information on the value of the subject property.
2. **Estimated Replacement Cost:** To estimate the cost of replacing the home minus depreciation based on age and observed condition.

Total by cost Approach: \$132,500.

Market Data

To estimate the value of the property by this approach, the market was searched for sales of properties in the area which might shed some light on the value of the subject property by comparison.

After adjusting these sales. Approximately six comparables properties, (for time and points of difference,) the indicated value of the subject property, by comparison, is \$132,500.

Signature of Authorizing
Official

Date
Title of Authorizing
Official

*If acquiring a multi-family structure, the income approach should also be considered.

SAMPLE

WRITTEN OFFER TO PURCHASE

November 3, 20__

Mrs. Elizabeth Richards
4143 Gus Young Avenue
Anytown, CA 95622

Dear Mrs. Richards:

This will introduce you to John Smith, who represents the City of Anytown, California, in the capacity of Property Officer and who will discuss with you're the acquisition by the City government of the property which our records indicate is owned by you. This property is required for the construction of the proposed wastewater treatment plant.

We have had the property appraised by a competent and unbiased fee appraiser, and this report has been thoroughly analyzed by the City staff and found to be well supported. Based on the appraisal and review, the City hereby makes you a firm offer in the amount of \$32,500 for the purchase of your property.

We feel that the above offer is most equitable and we urge your favorable consideration and acceptance of it. If this meets with your approval, the City's representative has prepared a Statement of Settlement Costs and will assist in finalizing the acquisition.

Thank you very much for your cooperation and favorable consideration of this offer.

Very Truly Yours,

Deron Troy
Mayor

Enclosure: Statement of Basis for Determining the Just Compensation

SAMPLE

NOTICE OF INTENT NOT TO ACQUIRE

November 3, 20__

Dear Mr. Buck Hoard:

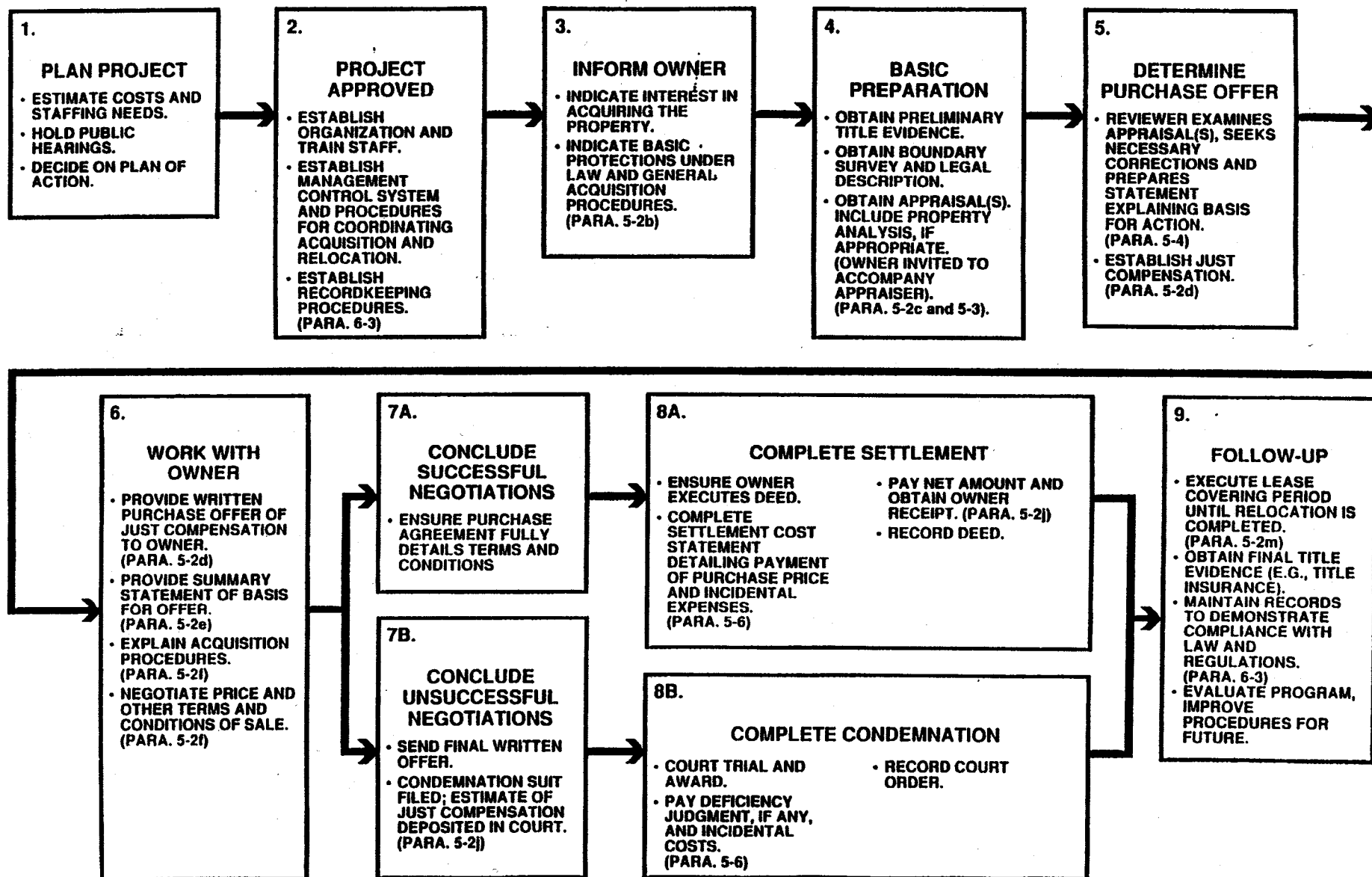
The City of Anytown has determined not to acquire your property on 19 W. 4th Street, Lot 1, Block 9, St. James Addition, Anytown, California. Any person moving from the premises from this date of notice will not be eligible for relocation payments or benefits.

Sincerely,

Kenneth Reeves
City Engineer

cc: Mrs. Julia Mastus, Tenant

Acquisition Process Under the URA*



*UNIFORM RELOCATION ACT RULES EFFECTIVE 4/2/89 (HUD HANDBOOK 1378)

Sample
Disclosures to Seller with Voluntary, Arm's Length Purchase Offer

Dear _____:

This is to inform you that _____ (Agency/Person) would like to purchase the property located at _____ (Street Address or Other Property Identification), if a satisfactory agreement can be reached. We are prepared to pay \$ _____ for clear title to the property under the conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the _____ (Agency/Person) will not acquire your property. The _____ (Agency/Person) does not have the power to acquire your property by condemnation (i.e., eminent domain) [will not use the power of eminent domain to acquire the property].
2. We estimate the fair market value of the property to be \$ _____.
3. Since the purchase would be a voluntary, arm's length transaction, you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us.

If you have any questions about this matter, please contact _____.
 His/Her telephone number is _____.

Sincerely,

 (Name/Title)

Seller acknowledgement _____
 OR Seller acknowledgement may be attached as a separate page.

Enclosure